

Message Text

CONFIDENTIAL

PAGE 01 OECD P 24345 01 OF 05 192129Z

73

ACTION EUR-12

INFO OCT-01 AF-06 ARA-06 EA-07 NEA-10 ISO-00 AID-05 CEA-01

CIAE-00 COME-00 EB-07 FRB-03 INR-07 IO-10 NSAE-00

OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01

FEA-01 ERDA-05 DODE-00 FPC-01 H-02 INT-05 L-03 NSC-05

PM-04 USIA-06 SAM-01 OES-03 SS-15 STR-04 PA-01 PRS-01

/144 W

----- 044189

P R 192109Z SEP 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC PRIORITY 8519

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY ANKARA

USINT BAGHDAD

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CARACAS

AMEMBASSY COPENHAGEN

AMEMBASSY DOHA

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OECD P 24345 01 OF 05 192129Z

AMEMBASSY QUITO

AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TEHRAN
AMEMBASSY TOKYO
AMEMBASSY TRIPOLI
AMEMBASSY VIENNA
AMEMBASSY WELLINGTON
AMEMBASSY BRASILIA
AMEMBASSY KINSHASA

C O N F I D E N T I A L SECTION 01 OF 05 OECD PARIS 24345

AMEMBASSY NEW DELHI
USMISSION UN NEW YORK

E.O. 11652: GDS
TAGS: ENRG, OECD
SUBJECT: IEA GOVERNING BOARD MEETING, SEPTEMBER 17-18

1. SUMMARY. SEPTEMBER 17-18 GOVERNING BOARD REAFFIRMED THAT IEA WILL HAVE DIRECT RESPONSIBILITY FOR COORDINATING CONSUMER POSITIONS IN THE ENERGY COMMISSION AND AGREED TO DEVELOP AN INFORMAL CONSENSUS ON PROCEDURAL ISSUES (E.G., CHAIRMANSHIP AND SITE OF MINISTERIAL) AND SELECTION OF ADDITIONAL INDUSTRIALIZED COUNTRY PARTICIPANTS WHO WILL JOIN GROUP OF 27 FOLLOWING PREPCON II. DISCUSSION OF SUBSTANTIVE ENERGY ISSUES AND OBJECTIVES FOR THE DIALOGUE WAS INITIATED AND WILL BE RESUMED AT OCTOBER 9-10 MEETING OF GB. GB ALSO HEARD OECD DEPUTY SEC GEN WOOTTON MAKE STRONG PITCH FAVORING VAN LENNEP ATTENDANCE AT MINISTERIAL; ENDORSED NEW WORK PROGRAM IN NUCLEAR FIELD; APPROVED PRESS RELEASE ON RESULTS OF REVIEWS OF MEMBERS' CONSERVATION PROGRAMS; ACCEPTED CONSERVATION GOALS FOR 1976 AND 1977 RECOMMENDED BY SLT; AND--WITH LIFTING OF RESERVATIONS BY JAPAN AND NEW ZEALAND--DECIDED THAT IEA OIL STOCK REQUIREMENT WOULD RISE TO 70 DAYS EFFECTIVE JANUARY 1, 1976. END SUMMARY.

2. PRODUCER/CONSUMER DIALOGUE. CHAIRMAN DAVIGNON OPENED DISCUSSION BY EMPHASIZING ABSOLUTE NECESSITY OF CLOSE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 OECD P 24345 01 OF 05 192129Z

COORDINATION OF CONSUMER POSITIONS IN THE IEA FOR THE WORK OF THE ENERGY COMMISSION. HE SAID IEA MEMBERS SHOULD ALSO SEEK TO DEVELOP A COMMON VIEW ON THE MORE GENERAL ISSUES RELATED TO THE OVERALL DIALOGUE, SUCH AS INDUSTRIAL NATION REPRESENTATION IN THE CONFERENCE OF 27 AND IN THE COMMISSIONS. THIS WOULD FACILITATE FORMAL DECISION-MAKING PROCESS IN OECD. HE REPORTED THAT IN A SEPT. 16 INFORMAL MEETING OF THE OECD SECRETARY GENERAL

AND THE CHAIRMAN OF IEA; OECD GROUPS ON NORTH/SOUTH RELATIONS, COMMODITIES, AND FINANCIAL QUESTIONS; AND XCSS, THE PARTICIPANTS GENERALLY AGREED THAT NO NEW FORMAL STRUCTURE WAS NEEDED TO PROVIDE OVERALL CONSUMER COORDINATION FOR THE ENTIRE DIALOGUE. SEVERAL DELEGATIONS SPOKE STRONGLY IN SUPPORT OF DAVIGNON'S STRESS ON NEED FOR FULL IEA COORDINATION ON ALL ISSUES (PROCEDURAL AND SUBSTANTIVE) RELATED TO ENERGY COMMISSION.

3. OECD DEPUTY SECRETARY GENERAL WOOTTON MADE A STRONG PITCH FOR VAN LENNEP TO BE INVITED AS AN OBSERVER TO THE CONFERENCE OF 27. HE SAID VAN LENNEP WOULD ATTEND AS THE HEAD OF AN INTERNATIONAL SECRETARIAT, NOT AS A REPRESENTATIVE OF THE GOVERNMENTS BELONGING TO OECD. WOOTTON SAID FRENCH DID NOT APPEAR TO OPPOSE VAN LENNEP'S PRESENCE AS AN OBSERVER, ALTHOUGH IN ONE CONVERSATION WITH FRENCH OFFICIALS, IT WAS MENTIONED THAT OECD REPRESENTATION AT THE CONFERENCE OF 27 MIGHT LEAD TO INSISTENCE ON A SIMILAR PLACE FOR OPEC. WOOTTON SAID HE DID NOT THINK THIS COMMENT SHOULD BE TAKEN SERIOUSLY, NOR DID HE SEE HOW VAN LENNEP'S PRESENCE AT THE CONFERENCE WOULD IN ANY WAY DAMAGE IEA PARTICIPATION IN THE DIALOGUE. THERE WAS NO STRONG SUPPORT EXPRESSED FOR VAN LENNEP'S PETITION FOR ADMITTANCE. GENERAL INCLINATION APPEARED TO BE TO AVOID AT THIS POINT REOPENING ANY OF THE DELICATE COMPROMISES WHICH WENT INTO THE CONSENSUS ON THE DIALOGUE.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 OECD P 24345 02 OF 05 192153Z

73

ACTION EUR-12

INFO OCT-01 AF-06 ARA-06 EA-07 NEA-10 ISO-00 AID-05 CEA-01

CIAE-00 COME-00 EB-07 FRB-03 INR-07 IO-10 NSAE-00

OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01

FEA-01 ERDA-05 DODE-00 FPC-01 H-02 INT-05 L-03 NSC-05

PM-04 USIA-06 SAM-01 OES-03 SS-15 STR-04 PA-01 PRS-01

/144 W

----- 044387

P R 192132Z SEP 75
FM USMISSION OECD PARIS
TO SECSTATE WASH DC PRIORITY 8520
INFO AMEMBASSY ABU DHABI
AMEMBASSY ALGIERS
AMEMBASSY ANKARA
USINT BAGHDAD
AMEMBASSY BERN
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY CARACAS
AMEMBASSY COPENHAGEN
AMEMBASSY DOHA
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY JAKARTA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LAGOS
AMEMBASSY LIBREVILLE
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY MADRID
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PARIS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OECD P 24345 02 OF 05 192153Z

AMEMBASSY QUITO
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TEHRAN
AMEMBASSY TOKYO
AMEMBASSY TRIPOLI
AMEMBASSY VIENNA
AMEMBASSY WELLINGTON
AMEMBASSY BRASILIA
AMEMBASSY KINSHASA

C O N F I D E N T I A L SECTION 02 OF 05 OECD PARIS 24345

4. AT THE RESTRICTED HEADS OF DELEGATIONS LUNCH, THE
FOLLOWING WAS AGREED.

- IEA WOULD HAVE DIRECT RESPONSIBILITY FOR CONSUMER

PARTICIPATION IN THE ENERGY COMMISSION.

- IEA WOULD NOT HAVE DIRECT RESPONSIBILITY FOR THE OVER-ALL DIALOGUE. IT WOULD, HOWEVER, SERVE AS A VEHICLE OF CONSUMER SOLIDARITY BY DEVELOPING INFORMAL CONSENSUS ON THE KEY PROCEDURAL QUESTIONS, E.G., EIGHT INDUSTRIAL COUNTRY PARTICIPANTS IN THE DIALOGUE, MEMBERSHIP IN THE ENERGY COMMISSION, AND CHAIRMANSHIP OF CONFERENCE, AS WELL AS ON SUBSTANTIVE ISSUES OF POSSIBLE LINKS BETWEEN ENERGY ISSUES AND WORK IN COMMISSIONS ON RAW MATERIALS AND DEVELOPMENT. IT WAS AGREED THAT THE INDUSTRIAL COUNTRY REPRESENTATION IN THE DIALOGUE SHOULD MAINTAIN GEOGRAPHIC BALANCE AND BE SELECTED ON THE BASIS OF OBJECTIVE CRITERIA.

- THE US, EC, AND JAPAN WOULD BE 3 OF THE 5 INDUSTRIAL COUNTRY REPRESENTATIVES IN THE ENERGY COMMISSION. THE OTHER TWO WOULD BE CHOSEN TAKING INTO ACCOUNT SUCH FACTORS AS PRODUCTION, CONSUMPTION, AND GEOGRAPHIC BALANCE, I.E., ONE IEA PRODUCER (CANADA) AND ONE IEA IMPORTER (PROBABLY A NON-EC EUROPEAN COUNTRY).

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 OECD P 24345 02 OF 05 192153Z

5. TO ENSURE THE DEVELOPMENT OF A COORDINATED STRATEGY THAT TAKES ACCOUNT OF THE INTERESTS OF ALL MEMBERS (INCLUDING THE NON-PARTICIPANTS IN DIALOGUE), A FOUR-POINT WORK PROGRAM WAS AGREED TO. FIRST, THE SECRETARIAT WOULD START FILLING IN GAPS IN DOCUMENT IEA/GB(75)65, DRAWING ON COMMENTS FROM DELEGATES AND FROM ITS OWN HYPOTHESES. SECOND, MEMBER GOVERNMENTS SHOULD SUPPLY THE SECRETARIAT WITH ITS COMMENTS ON THE ASSESSMENT PORTION OF THE DOCUMENT (NOT THE CONCLUSIONS) BY SEPTEMBER 26. GOVERNMENTS SHOULD RESPOND TO SECRETARIAT'S LIST OF SUBSTANTIVE QUESTIONS REQUIRING POLITICAL DECISIONS (SEPTEL) BY SEPTEMBER 24. THIRD, THE SECRETARIAT WOULD MAKE AVAILABLE TO MEMBER GOVERNMENTS A REVISED VERSION OF IEA/GB(75)65 AND A SUMMARY OF THE ANSWERS PROVIDED TO THE LIST OF SPECIFIC QUESTIONS BY OCTOBER 3. FINALLY, ON OCTOBER 9, AN INFORMAL MEETING OF THE IEA HEADS OF DELEGATION (PLUS ONE) WOULD MEET IN PARIS TO DISCUSS THE NEW PAPERS. THE MEETING WILL ALSO CONSIDER THE UNRESOLVED PROCEDURAL ISSUES FOR WHICH DECISIONS ARE REQUIRED PRIOR TO THE OCTOBER 13 PREPCON. A WORKING PARTY PAPER (SEPTEL) WAS CIRCULATED TO SERVE AS A BASIS FOR THIS PART OF THE DISCUSSION. THE REGULAR GOVERNING BOARD MEETING WOULD BE HELD THE FOLLOWING DAY.

6. MOST OF THE SEPTEMBER 18 SESSION WAS DEVOTED TO A PRELIMINARY DISCUSSION OF SUBSTANTIVE ENERGY ISSUES FOR

THE DIALOGUE. THE SECRETARIAT'S LIST OF TEN QUESTIONS (SEPTTEL) SERVED AS A BASIS FOR THE DISCUSSION. ROHWEDDER (GERMANY) SAID THAT THE CONCERN WITH ENERGY PROBLEMS HAD SHIFTED IN THE FRG. A YEAR AGO GERMANY WAS WORRIED ABOUT HAVING ENOUGH COAL TO GET THROUGH THE WINTER; NOW IT HAS A SURPLUS OF OIL. EVEN THOUGH IEA MEMBERS EARLIER PUSHED FOR DIALOGUE, PRIMARILY OUT OF FEAR, WE SHOULD NOW NOT SET UNREALISTIC GOALS FOR IT. HE ADVOCATED THAT A KEY GOAL BE TO ESTABLISH A "CONSULTATIVE PROCEDURE OR MECHANISM" BY WHICH CONSUMERS AND PRODUCERS WOULD CONSULT IN ADVANCE ON OIL PRICES. HE SAID THAT WHILE PRODUCERS HAD NOT SHOWN GREAT ENTHUSIASM FOR THIS IDEA, NONE HAD REJECTED IT; THE IRANIANS HAD REACTED SOMEWHAT COOLY, HOWEVER, AND INDICATED THAT ANY SUCH ARRANGEMENT WOULD

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 OECD P 24345 02 OF 05 192153Z

PROBABLY HAVE TO BE TIED TO INDEXATION.

7. THE SWISS DELEGATE (LANGUETIN) SAID THE SUBSTANTIVE PREPARATION SHOULD BE ORGANIZED ALONG TWO TRACKS: POLITICAL AND TECHNICAL. RECALLING ROHWEDDER'S COMMENTS, HE SAID THAT, WHILE THE ATMOSPHERE WAS MORE SERENE NOW, THE ENERGY PROBLEM HAD NOT BEEN SOLVED. TO DEAL WITH ITS MEDIUM AND LONG-TERM ASPECTS, WE HAD TO MAKE POLITICAL JUDGMENTS: DO WE DEAL WITH ENERGY IN THE CONTEXT OF THE WORLD ECONOMY AND BALANCE OF PAYMENTS PROBLEMS, AS THE SECRETARIAT HAS DONE IN ITS WORK? OR, DO WE DEAL WITH IT ONLY IN A TECHNICAL WAY? SHOULD WE PLAN FOR LONG-TERM ENERGY COOPERATION WITH PRODUCERS? HOW WILL WORK OF ONE COMMISSION BE LINKED TO THAT OF THE OTHERS, AND PARTICULARLY HOW CLOSELY SHOULD THE FINANCE COMMISSION BE LINKED TO OTHER THREE? REGARDING THE TECHNICAL TRACK, HE SAID WE MUST GO MUCH FURTHER THAN THE "FACT FINDING

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 OECD P 24345 03 OF 05 192206Z

73

ACTION EUR-12

INFO OCT-01 AF-06 ARA-06 EA-07 NEA-10 ISO-00 AID-05 CEA-01

CIAE-00 COME-00 EB-07 FRB-03 INR-07 IO-10 NSAE-00

OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01

FEA-01 ERDA-05 DODE-00 FPC-01 H-02 INT-05 L-03 NSC-05

PM-04 USIA-06 SAM-01 OES-03 SS-15 STR-04 PA-01 PRS-01

/144 W

----- 044484

P R 192132Z SEP 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC PRIORITY 8521

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY ANKARA

USINT BAGHDAD

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CARACAS

AMEMBASSY COPENHAGEN

AMEMBASSY DOHA

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OECD P 24345 03 OF 05 192206Z

AMEMBASSY QUITO

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

AMEMBASSY BRASILIA

AMEMBASSY KINSHASA

C O N F I D E N T I A L SECTION 03 OF 05 OECD PARIS 24345

WORK" ALREADY DONE BY IEA SECRETARIAT. THEN WE MUST BRING THE POLITICAL DECISION AND TECHNICAL WORK TOGETHER TO WORK OUT AN ENERGY STRATEGY FOR THE DIALOGUE.

8. US (BOSWORTH) SAID THAT, WHILE THE GERMAN DELEGATE WAS CORRECT THAT THE SITUATION WAS DIFFERENT TODAY THAN AT THE TIME OF THE WASHINGTON ENERGY CONFERENCE, OUR COMMON VULNERABILITY HAD NOT CHANGED. OPEC REMAINS IN CONTROL OF THE OIL MARKET AND CONTINUES TO DETERMINE PRICES UNILATERALLY. THUS, WE CANNOT AFFORD TO RELAX OUR EFFORTS TO SHIFT THE OIL BALANCE TOWARD THE CONSUMERS AND REDUCE OUR VULNERABILITY.

9. BOSWORTH SAID THAT THE DIALOGUE WITH PRODUCERS COULD BE BENEFICIAL. IT COULD HELP SMOOTH AND ACCELERATE THE INTEGRATION OF THE PRODUCERS' ECONOMIES INTO THE WESTERN ECONOMIC SYSTEM. IT COULD LEAD TO GREATER UNDERSTANDING OF THE FULL IMPACT OF ENERGY ON THE WORLD ECONOMY AND NARROW THE GAP IN THE EXPECTATIONS OF THE TWO SIDES REGARDING FUTURE SUPPLY AND DEMAND. IT MIGHT STIMULATE COOPERATIVE EFFORTS IN DIFFERENT AREAS.

10. IN DEVELOPING OUR STRATEGY, WE MUST ALSO VIEW THE DIALOGUE IN THE CONTEXT OF OUR VULNERABILITY AND OUR EFFORTS TO REDUCE AND EVENTUALLY END THE VULNERABILITY. TO DO SO, WE MUST ANSWER SEVERAL QUESTIONS: FIRST, ARE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 OECD P 24345 03 OF 05 192206Z

WE REASONABLY CONFIDENT THAT OUR NATIONAL ENERGY PROGRAMS AND OUR COOPERATION IN THE IEA CAN END OPEC'S CONTROL OVER PRICES IN THE PERIOD AFTER 1980? IF THE ANSWER IS "NO", WE MUST RE-EXAMINE OUR OWN PROGRAM. IF "YES", THEN WE MUST ASK TO WHAT EXTENT MARKET FORCES AND LDC PRESSURE WILL SERVE TO CONSTRAIN OPEC'S ABILITY TO SET PRICES UNILATERALLY OVER THE NEXT 3-5 YEARS. THEN WE MUST DECIDE IF WE CAN DO ANYTHING TO INTENSIFY THESE PRESSURES. FINALLY, WE SHOULD CONSIDER WHAT BENEFIT ADDITIONAL MEASURES (E.G., CONSULTATIVE MECHANISM, INDEXATION, ETC.) WOULD BRING IN TERMS OF REDUCED VULNERABILITY AND HOW MUCH EACH OF THESE MIGHT COST IN ENERGY OR NON-ENERGY AREAS. IN SHORT, AS A CONDITION FOR DEVELOPING A STRATEGY FOR THE ENERGY COMPANIES, WE MUST CAREFULLY ANALYZE THE REAL BENEFITS AND COSTS OF ANY NEW FORMAL ARRANGEMENTS WITH THE PRODUCERS OTHER THAN THE DIALOGUE ITSELF.

11. THE DANISH DELEGATE (RIBERHOLDT) STRESSED THAT A PREREQUISITE FOR EFFECTIVE CONSUMER PARTICIPATION IN THE DIALOGUE WAS IEA APPROVAL OF THE PROGRAM OF LONG-TERM COOPERATION ON DECEMBER 1. HE SAID THE DIALOGUE SHOULD BEGIN WITH A FACTUAL ANALYSIS, AVOIDING ARGUMENTATION. THE ESTABLISHMENT OF A CONSULTATIVE MECHANISM MIGHT BE A "REASONABLE OBJECTIVE", BUT WE SHOULD NOT APPEAR TO WANT IT "TOO BADLY"; OTHERWISE THE PRODUCERS WILL DEMAND A HIGH PRICE FOR IT, E.G., INDEXATION. HE EXPRESSED DOUBTS THAT LONG-TERM SUPPLY COMMITMENTS COULD BE TRUSTED. HE SAID WE MUST DECIDE ON THE SCOPE OF THE ENERGY-RELATED WORK OF THE FINANCIAL COMMISSION: SHOULD IT BE ANALYTICAL WORK FOR THE ENERGY COMMISSION OR SHOULD IT ENGAGE IN SUBSTANTIVE DISCUSSIONS OF COOPERATIVE POLICIES? HE AGREED WITH THE GERMAN DELEGATE'S ASSERTION THAT IN THE DIALOGUE WE SHOULD NOT GIVE UP OUR RIGHT TO DETERMINE OUR OWN POLICIES.

12. THE DUTCH DELEGATE (ITALIANER) EMPHASIZED THE NEED FOR PRODUCERS AND CONSUMERS TO ACCEPT A COMMON RESPONSIBILITY FOR THE FUTURE OF THE WORLD ECONOMY. INFORMATION EXCHANGE WOULD FACILITATE REACHING THE GOAL. HE SAID WE SHOULD AVOID TELLING THE PRODUCERS THAT THEY ARE RESPONSIBLE FOR THE WORLD'S ECONOMIC PROBLEMS. HE ALSO NOTED

CONFIDENTIAL

PAGE 04 OECD P 24345 03 OF 05 192206Z

THAT IF THE PRODUCERS GIVE US SOMETHING ON PRICES, THEY WILL EXPECT SOMETHING IN RETURN, E.G., HELP IN INDUSTRIALIZING THEIR ECONOMIES. THE DUTCH DELEGATE SAID THAT, WHILE NO ONE FAVORED INDEXATION, WE WOULD PROBABLY HAVE TO AGREE TO "PERIODIC DISCUSSIONS OF PRICE ON THE BASIS OF FIXED CRITERIA." THE DANISH DELEGATE STRONGLY OPPOSED THIS POSITION.

13. THE BELGIAN DELEGATE SUPPORTED INCREASED DISCUSSION BETWEEN PRODUCERS AND CONSUMERS BECAUSE NEITHER EXCLUSIVE RELIANCE ON MARKET FORCES NOR FORMAL AGREEMENTS ON PRICES AND SUPPLIES WERE REALISTIC. HE CAUTIONED AGAINST THE DEVELOPED COUNTRIES TAKING POSITIONS THAT APPEARED AIMED AT DRIVING A WEDGE BETWEEN THE LDCS AND THE OIL PRODUCERS.

14. LONG-TERM COOPERATION. SLT CHAIRMAN (BOSWORTH) REPORTED TO GOVERNING BOARD ON STATUS OF SLT'S WORK ON

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 OECD P 24345 04 OF 05 192240Z

73

ACTION EUR-12

INFO OCT-01 AF-06 ARA-06 EA-07 NEA-10 ISO-00 AID-05 CEA-01

CIAE-00 COME-00 EB-07 FRB-03 INR-07 IO-10 NSAE-00

OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01

FEA-01 ERDA-05 DODE-00 FPC-01 H-02 INT-05 L-03 NSC-05

PM-04 USIA-06 SAM-01 OES-03 SS-15 STR-04 PA-01 PRS-01

/144 W

----- 044926

P R 192132Z SEP 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC PRIORITY 8522

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY ANKARA

USINT BAGHDAD

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CARACAS

AMEMBASSY COPENHAGEN

AMEMBASSY DOHA

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OECD P 24345 04 OF 05 192240Z

AMEMBASSY QUITO
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TEHRAN
AMEMBASSY TOKYO
AMEMBASSY TRIPOLI
AMEMBASSY VIENNA
AMEMBASSY WELLINGTON
AMEMBASSY BRASILIA
AMEMBASSY KINSHASA

C O N F I D E N T I A L SECTION 04 OF 05 OECD PARIS 24345

LONG-TERM PACKAGE. HE OUTLINED THE INTEGRATED WORK PROGRAM ADOPTED BY SLT IN AREA OF NUCLEAR POWER. HE NOTED THAT THIS INTEGRATED APPROACH (EXAMINATION OF NATIONAL PROGRAM IDENTIFICATION OF CONSTRAINTS ON THE ACHIEVEMENT OF OBJECTIVES, AND FORMULATION OF COOPERATIVE PROGRAMS AND PROJECTS AT BOTH R&D AND ENERGY POLICY LEVELS TO REDUCE THESE CONSTRAINTS) APPEARS APPLICABLE TO OTHER ENERGY SECTORS AS WELL AS NUCLEAR, E.G., COAL. INCLUSION OF THIS APPROACH IN LONG-TERM PACKAGE AS WELL AS PROCESS FOR RIGOROUS REVIEW OF NATIONAL CONSERVATION AND ACCELERATED DEVELOPMENT PROGRAMS, WILL PROVIDE LONG-TERM ADDITIONAL PRACTICAL IMPACT ON TOP OF BASIC UNDERTAKINGS IN MSP, ACCESS, ETC. SEVERAL DELEGATIONS SPOKE IN SUPPORT OF NUCLEAR WORK PROGRAM, AND GOVERNING BOARD GENERALLY ENDORSED SO-CALLED INTEGRATED APPROACH AS USEFUL FORMULATION.

15. CONSERVATION. GOVERNING BOARD APPROVED WITH ONLY MINOR CHANGES SLT'S DRAFT PRESS COMMUNIQUE ON RESULTS OF FIRST IEA REVIEW OF POTENTIAL CONSERVATION PROGRAMS AND AGREED THAT GOVERNMENTS ARE FREE TO USE FULL TEXT OF SLT'S REPORT ON INDIVIDUAL NATIONAL PROGRAMS AS THEY SEE FIT, I.E., TO REINFORCE EFFORTS WITH PUBLICS AND PARLIAMENTS TO STRENGTHEN NATIONAL CONSERVATION EFFORTS.

16. GOVERNING BOARD ALSO ACCEPTED WITHOUT DEBATE SLT'S
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 OECD P 24345 04 OF 05 192240Z

RECOMMENDED CONSERVATION OBJECTIVES FOR IEA FOR 1976 AND 1977 BUT AGREED TO DEFER FORMAL APPROVAL UNTIL NEXT MEETING. DAVIGNON NOTED THAT BOARD MAY WISH TO DELAY PUBLICATION OF THESE GOALS AND INCLUDE THEM IN DECEMBER 1 OVERALL LONG-TERM PACKAGE.

17. ON TIMING FOR GOVERNING BOARD CONSIDERATION OF LONG-TERM PACKAGE, BOARD INSTRUCTED SLT TO REPORT ON OVERALL PROGRAM BY EARLY NOVEMBER TO ENABLE GOVERNING BOARD TO HAVE FIRST RUN THROUGH AT ITS MID-NOVEMBER MEETING WITH FINAL ACTION AT MEETING OF DECEMBER 1. SEVERAL DELEGATIONS (FRG, DANES, SWISS) ECHOED US IN STRESSING VITAL NEED TO AGREE ON SERIOUS LONG-TERM PROGRAM BY DECEMBER 1 DEADLINE.

18. DAVIGNON AND BRITISH DELEGATE EXPRESSED RESERVATION ABOUT SETTING NOVEMBER DATE FOR SPECIAL R&D GOVERNING BOARD. THEY ASSERTED THAT INSUFFICIENT PROGRESS HAD BEEN MADE TO DATE IN PREPARATION FOR MEETING. BOSWORTH SAID HE DID NOT SHARE THEIR "PESSIMISM", BUT AGREED A POLITICAL PUSH WAS NEEDED TO ACCELERATE THE R&D WORK. DAVIGHON ASKED EACH DELEGATION TO MAKE AN EFFORT TO ADVANCE THE WORK IN THIS AREA BY GETTING THEIR OWN R&D EXPERTS TO WORK HARDER TO REACH AGREEMENT ON COOPERATIVE R&D PROGRAMS. DECISION ON DATE OF SPECIAL GB DEFERRED UNTIL OCTOBER 9-1 GB MEETING.

19. EMERGENCY STOCKS. JAPAN AND NEW ZEALAND REPORTED THEY WERE WILLING TO ACCEPT 70DAYEMERGENCY STOCK COMMITMENTS AS OF JANUARY 1. JAPAN STRESSED THAT IT DID SO WITH SOME PAIN AND WOULD PREFER NOT TO HAVE INTERIM TARGETS BETWEEN ORIGINAL 60 DAY TARGET AND 90 DAYS ENVISIONED BY 1980, BUT WAS WILLING TO GO WITH GROUP CONSENSUS.

20. SECRETARIAT MADE AVAILABLE COPIES OF SHORT-TERM OUTLOOK OF WORLD OIL MARKET. ITS PROJECTIONS ARE BASED ON OIL PRICES REMAINING AT CURRENT LEVELS; IT DOES NOT INCLUDE PROJECTIONS FOR HIGHER PRICES SINCE, IF THE INFORMATION BECAME PUBLIC, IT MIGHT BE INTERPRETED BY OPEC AS ACCEPTANCE BY IEA OF HIGHER PRICES.
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 OECD P 24345 04 OF 05 192240Z

21. HOPPER (CANADA) INDICATED THAT A SPECIAL WORKING GROUP HAD REACHED ON INTERIM COMPROMISE ON THE AGGREGATION/DISAGGREGATION ISSUE. THE DATA WILL BE COLLECTED IN AN AGGREGATED FORM FOR 1975 AND 1976; THIS DATA WILL BE EXAMINED, AND THEN A DECISION WILL BE TAKEN ON WHETHER THE 1977 DATA SHOULD BE SUBMITTED ON AN AGGREGATED OR DISAGGREGATED BASIS. HOPPER WILL PROPOSE THIS COMPROMISE TO SOM IN OCTOBER.

22. AFTER WORDING CHANGES IN THE NUCLEAR SECTION WERE ACCEPTED BY ITALY, THE GB ADOPTED THE CONCLUSIONS OF THE

MINISTERIAL MEETING IN MAY (IEA/GB(75)36).

23. NOTE: SUMMARY OF DEADLINE DATES FOR PREPARATION
OF SUBSTANTIVE AND PROCEDURAL POSITIONS:

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 OECD P 24345 05 OF 05 200019Z

73

ACTION EUR-12

INFO OCT-01 AF-06 ARA-06 EA-07 NEA-10 ISO-00 AID-05 CEA-01

CIAE-00 COME-00 EB-07 FRB-03 INR-07 IO-10 NSAE-00

OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01

FEA-01 ERDA-05 DODE-00 FPC-01 H-02 INT-05 L-03 NSC-05

PM-04 USIA-06 SAM-01 OES-03 SS-15 STR-04 PA-01 PRS-01

/144 W

----- 046213

P R 192132Z SEP 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC PRIORITY 8523

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY ANKARA

USINT BAGHDAD

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CARACAS

AMEMBASSY COPENHAGEN

AMEMBASSY DOHA

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY MADRID
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PARIS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OECD P 24345 05 OF 05 200019Z

AMEMBASSY QUITO
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TEHRAN
AMEMBASSY TOKYO
AMEMBASSY TRIPOLI
AMEMBASSY VIENNA
AMEMBASSY WELLINGTON
AMEMBASSY BRASILIA
AMEMBASSY KINSHASA

C O N F I D E N T I A L SECTION 05 OF 05 OECD PARIS 24345

SEPTEMBER 24:

(A) COMMENTS DUE ON LIST OF SUBSTANTIVE QUESTIONS
REQUIRING POLITICAL DECISION

SEPTEMBER 26:

(B) COMMENTS DUE ON ASSESSMENT PORTION OF
IEA/GB(75)65

OCTOBER 3:

SECRETARIAT CIRCULATES COMPLETED AND REVISED
VERSION OF (75)65 AND SUMMARY OF ANSWERS TO LIST OF
QUESTIONS.

OCTOBER 9:

(A) HEADS OF DELEGATIONS REVIEW THESE TWO SUBSTANT-
IVE PAPERS AND ALSO REVIEW WORKING PARTY PAPER
ON PROCEDURAL ISSUES.

(B) SECRETARIAT PAPER ON TERMS OF REFERENCE FOR
ENERGY COMMISSION DUE. WILL BE REVIEWED BY
HEADS OF DELEGATION.

OCTOBER 10:

PLENARY GB MEETING REVIEWS ABOVE DOCUMENTS.

TURNER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETING AGENDA, PETROLEUM, SECRETARY GENERAL, PLANNING MEETINGS, CONSULTANTS, IMPORTERS, EXPORTERS, MEETING OBSERVERS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: SmithRJ
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975OECDP24345
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750326-0319
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750935/aaaabeyz.tel
Line Count: 760
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 14
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: SmithRJ
Review Comment: n/a
Review Content Flags:
Review Date: 08 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 APR 2003 by BoyleJA>; APPROVED <25 SEP 2003 by SmithRJ>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IEA GOVERNING BOARD MEETING, SEPTEMBER 17-18
TAGS: ENRG, OECD, IEA, (VAN LENNEP, EMILE)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006